

Message Text

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ACTION EUR-12

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TO SECSTATE WASHDC IMMEDIATE 1249
INFO AMEMBASSY MOSCOW

UNCLAS STOCKHOLM 3224

E.O. 11652: N/A
TAGS: EEWT, ESTC, SW
SUBJECT: SWEDISH PRESS AND TV GIVE EXTENSIVE COVERAGE TO STAN-
SAAB EXPORT LICENSE APPLICATION

1. ON AUGUST 4 BOTH OF SWEDEN'S MAJOR MORNING DAILIES, SVENSKA DAGBLADET AND DAGENS NYHETER, AND TV EVENING NEWS OF AUGUST 3, REPORTED THAT WITHHOLDING THE ISSUANCE OF EXPORT LICENSES FOR COMPONENTS SOUGHT BY STANSAAB FOR ITS AIR TRAFFIC CONTROL (ATC) CONTRACT WITH THE USSR WERE JEOPARDIZING THE CONTRACT. TV NEWS HAD PICTURES OF STANSAAB EQUIPMENT WAITING FOR SHIPMENT, BUT, REPORTEDLY, HELD BACK PENDING US APPROVAL OF THE COMPANY'S LICENSE REQUESTS. THE NEWSPAPERS NOTED THAT SPERRY RAND UNIVAC HAD BEEN A COMPETITOR OF STANSAAB FOR THE CONTRACT AND WAS ATTEMPTING THROUGH PRESSURES IN WASHINGTON TO FURTHER DELAY APPROVAL OF THE LICENSE REQUESTS. SVENSKA DAGBLADET ALSO ALLEGED THAT STANSAAB HAS AN AGREEMENT WITH SPERRY RAND FOR SOME OF THE ATC EQUIPMENT WHICH PREVENTS THE SWEDISH COMPANY FROM TURNING TO JAPANESE SOURCES FOR THE EQUIPMENT. PRESS ALSO STATED THAT SWEDISH FOREIGN MINISTER SODER HAD RAISED QUESTION WITH SECRETARY ON HER VISIT TO WASHINGTON IN LATE JUNE-EARLY JULY AS "ROUTINE MATTER."

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2. FOREIGN MINISTER SODER, IN A TELEPHONE CONVERSATION CARRIED ON TV, SAID THAT SHE WAS AWARE OF US LEGISLATION CONCERNING EXPORT CONTROLS AND AFFIRMED THAT SWEDEN MUST ACCEPT AND COMPLY WITH THE LEGISLATION. IN RESPONSE TO THE QUESTION "HAVE THE CONTROLS BECOME TOO RIGID?" THE FOREIGN MINISTER REPLIED "NO, I CAN'T SEE ANY

SIGNS OF A TIGHTENING UP." WHEN ASKED IF SHE HAD RAISED THE SUBJECT WITH SECRETARY VANCE, MRS. SODER REPLIED THAT SHE HAD, AND THAT THE SECRETARY "WAS PREPARED TO CONTRIBUTE TO BRINGING ABOUT A POSITIVE SOLUTION TO THIS MATTER."

3. ALSO ON TV NEWS WAS A SHORT INTERVIEW WITH STEN NIKLASSON, DIRECTOR FOR INTERNATIONAL AFFAIRS IN THE MINISTRY OF INDUSTRY. NIKLASSON NOTED THAT THE US LEGISLATION ON EXPORT CONTROLS APPLIES NOT ONLY TO US FIRMS BUT TO THEIR FOREIGN SUBSIDIARIES AND EVEN THEIR CUSTOMERS. NIKLASSON SAID ALSO THAT IN HIS OPINION THE US WAS TIGHTENING UP ON ITS EXPORT CONTROL POLICIES WHERE THE PRODUCTS IN QUESTION COULD INCREASE THE TECHNOLOGICAL CAPABILITIES OF THE RECIPIENT COUNTRIES. HE ADDED, IN RESPONSE TO A QUESTION, THAT IT APPEARED TO HIM THAT IT IS THE US INTENTION TO "MAINTAIN THE TECHNOLOGICAL GAP BETWEEN THE EAST AND WEST."

4. OTHER COMMENT IN THE TV NEWS COVERAGE INCLUDED THE NEWSCASTER'S OPINION THAT THE "PENTAGON" WAS RESPONSIBLE FOR DELAYING THE ISSUANCE OF LICENSES BECAUSE OF ITS OPPOSITION TO THE ACQUISITION BY THE SOVIET BLOC OF ADVANCED TECHNOLOGY. THE NEWSCASTER DENIED THAT THE STANSAAB ATC SYSTEM HAD ANY STRATEGIC IMPORTANCE, AND SAID THE DELAY CREATES CONSIDERABLE UNCLASSIFIED

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DIFFICULTIES FOR STANSAAB IN OBTAINING OTHER ORDERS IN THE SOVIET BLOC.

5. COMMENT. THE EMBASSY UNDERSTANDS FROM NIKLASSON THAT HE WAS FIRST APPROACHED BY SWEDISH RADIO ON AUGUST 3 AS A FOLLOW-UP TO A NEWS ITEM BEING PREPARED BASED ON A "BUSINESS WEEK" ARTICLE APPEARING ON PAGE 38 OF THE AUGUST 8 EDITION WHICH BEGINS: "SWEDISH FOREIGN MINISTER KAREN SODER APPARENTLY HAS PERSUADED THE US COMMERCE DEPARTMENT TO PERMIT THE EXPORT OF \$200,000 WORTH OF INTEGRATED CIRCUITS FOR INCLUSION IN A NEW AIR TRAFFIC CONTROL CENTER BEING BUILT AT MOSCOW'S VNUKOVO AIRPORT BY STANSAAB, A SMALL SWEDISH COMPANY." THE ARTICLE GOES ON TO SAY THE CIRCUITS IN QUESTION ARE MILITARILY IMPORTANT, AND THAT THE SWEDES CLAIM THAT OPPOSITION TO THE EXPORT WAS INFLUENCED BY LOBBYING FROM ONE OF THE US COMPANIES THAT LOST OUT IN THE BIDDING. THE ARTICLE DESCRIBES THE CONTRACT AS A MAKE OR BREAK DEAL FOR STANSAAB; IF SUCCESSFUL, IT WOULD GIVE STANSAAB AN INSIDE TRACK ON OTHER SOVIET AIR-CONTROL CONTRACTS.

6. ADDITIONAL EMBASSY COMMENT AND REQUEST FOR GUIDANCE
FOLLOW SEPTTEL.
PERRY

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